

The Real Bipartisanship

Frank Wolf, Jim Cooper, and colleagues target entitlements.

by Matthew Continetti

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Congressman Frank Wolf remembers the moment well. Long before the TARP, the stimulus, trillion-dollar deficits, President Obama's budget, and anti-big government tea parties, the 15-term Virginia Republican had an epiphany. It was the early summer of 2006. Wolf and his wife were visiting Washington's Crossing, the site on the Delaware River where General George Washington led his ragtag army into New Jersey and defeated the British at Trenton. Washington's victory led to subsequent triumphs. Many historians consider it the turning point in the Revolutionary War. The American republic was born at Washington's Crossing, in a sense. This got Wolf thinking. How healthy was America today? What could bring it down? What sort of country was he leaving his five kids and 13 grandchildren? (Another grandkid is on the way.)

Government spending was out of control, Wolf concluded. President Bush and the Republican majorities in Congress were presiding over a massive binge that would only grow worse over time. Future Democratic governments would use the Bush record as cover for more spending. The impending retirement of the Baby Boomers would bring Social Security and Medicare to fiscal ruin. If steps weren't taken soon to ensure the solvency of these programs, draconian tax hikes and benefit cuts were all but guaranteed. Government was poised to gobble up more and more of the economy. The foreign investors who finance the deficit might grow weary and walk away from U.S. Treasuries. "No great nation can do what we're doing," Wolf thought.

Making matters worse, the political system was unwilling or unable (or both) to tackle a problem that seemed far off in the distance. Wolf's response was to join with Representative Jim Cooper, the Blue Dog Democrat from Tennessee, to write the Securing America's Future Economy (SAFE) Act. SAFE is an exercise in government by commission. It would create a 16-person panel to examine the country's fiscal mess and come up with a plan to bring revenues and expenditures into balance: Social Security, Medicare and Medicaid, tax policy. The plan would be brought to the Congress for an up-or-down vote. Would it pass? That depends. But at least Congress would be forced to deal responsibly with America's looming fiscal crisis. In the past, Cooper had resisted commissions. In his view, Congress uses them to duck responsibility. But the extent of America's fiscal problems changed his mind.

Cooper and Wolf reintroduced the SAFE legislation last month. Democrat Kent Conrad and Republicans George Voinovich and Judd Gregg have introduced similar legislation in the Senate. Cooper and Wolf's bill has been referred to the House Budget Committee. There's a tough fight ahead. David Obey, the Wisconsin liberal who chairs the powerful Appropriations committee, is adamantly opposed. So are Charles Rangel, the New York Democrat and chairman of the House Ways and Means Committee, and White House chief of staff Rahm Emanuel.

Plenty of Republicans are skeptical of the SAFE act, too. Some because they aren't as concerned as Wolf is about spending and debt. Others simply don't want to hand power over appropriations and taxes to a commission. Back when the GOP was in power, Wolf wrote 15 letters to the Bush administration asking for the president's support. He didn't get it. In 2008, with Democrats in control of Congress, Wolf met with then-Treasury Secretary Hank Paulson. The topic of discussion: Wolf's entitlement commission. Paulson was

sympathetic but not exactly encouraging. "He totally ducked," says Cooper.

In Washington, government by commission is nothing new. The Greenspan Commission in 1983 raised payroll taxes and cut benefits in order to finance Social Security for a generation. Count that as a success. Another was the Base Realignment and Closure Commission (BRAC), established in 1988, which has provided Congress a politically expedient means to close military bases. There are arguments against BRAC--one is that it's healthy for civil-military relations to have servicemen spread around the country--but overall the commission has done its job.

The most famous commission in recent memory, the 9/11 Commission, produced mixed results. The commission's staff wrote an excellent book-length report on the terrorist attacks, but the group's televised hearings became a media circus and a vehicle for partisan politics in an election year. In 2005, President Bush didn't act on the recommendations of his own Tax Reform Commission. Wolf himself helped create the 2006 Iraq Study Group (ISG), whose drab report told us nothing new. Bush wisely ignored the ISG's recommendations in favor of the surge.

Commissions aren't a panacea. Their success depends on a variety of factors, the most important of which is the political environment. It doesn't matter what the commission comes up with; if the time isn't right, if the votes and presidential support aren't there, even the best policies are dead on arrival. Just ask former senator Connie Mack III, who chaired the Bush tax panel.

There's also the concern that government by commission is undemocratic. No one elects a commission. The commission's deliberations are often secret. The voters are left out. Beltway factotums make important decisions in their place. Wolf says such concern isn't warranted. His entitlement commission would include the Treasury secretary, the White House budget chief, and 14 others appointed by congressional majority and minority leaders. Wolf imagines those appointments would include a couple of congressmen. The statute requires that the commission hold public meetings across the country. And Congress would have the opportunity to add amendments to the commission's plan before it held an up-or-down vote on the overall package.

The answer to our budget woes isn't rocket science: increase revenue and cut spending. But will the revenue increases come from a growing economy and consumption taxes or prosperity-squelching tax hikes on income and labor? And is there any political will at all to pare back public expenditures? Certainly the Democrats' main interest at the moment is expanding government. And many Republicans want to dodge tough choices by training their criticism on earmark spending alone. They see major budget cuts that include entitlement spending as a political death trap.

They may have a point. Republicans lost 26 House seats in 1982 after backing President Reagan's budget cuts. The Republican Revolution ran aground in 1995 when President Clinton and Speaker Gingrich faced off over cuts in Medicare spending. Clinton won reelection the next year and the GOP lost 8 House seats. Bush's push for Social Security reform in 2005 was a failure.

But the political costs of arresting big government may not be so high after all. Conservative writer W. James Antle III points out that Republicans also held onto the Senate in 1982, and Reagan won reelection in 1984. Despite the House losses in 1996, the GOP won two seats in the Senate that year and held onto Congress for another decade. Not bad. Wolf notes that he ran on entitlement reform, costly government, and the SAFE Act in his 2008 reelection campaign. Wolf beat a well-financed Democratic challenger 59 percent to 39 percent, a two-point improvement on his 2006 victory margin.

With few friends in Congress and none at all in the White House, Wolf has decided to go directly to the public. He's won support from former U.S. comptroller David Walker, now president of the Peterson Foundation. A recent report from the bipartisan Center for the Study of the Presidency and the Congress reaches similar

conclusions to Wolf's. *Washington Post* editorial page editor Fred Hiatt wrote a recent column in support of Wolf's bill. And this week the American Enterprise Institute will host Wolf and Cooper for a panel discussion. "Reasonable people can and will differ about whether there ought to be some changes" to the legislation, says Walker, who adds that SAFE is a good start. One change Walker would like to see is a requirement that all amendments to the commission's recommendations be revenue neutral.

Walker is optimistic that Wolf and Cooper's bill could come to a vote later this year. Right now the political momentum is with Wolf's opponents. But momentum can shift. It's not hard to detect a real anxiety about overspending and deficits. And Wolf has a powerful argument to make. Yes, he can say, history shows that nations can live with huge public debt, but they can't live well. And not without first surrendering their greatness.

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